CANADEXPORT

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Canadian Embassy in Hungary: on the move

In mid-June, the Canadian Embassy in Hungary will be moving from its location in the Buda hills to a more central location in downtown Budapest. The new chancery will occupy part of an office building newly constructed by the Canada Square group and designed by CMA International of Calgary.

Canada's new chancery in downtown Budapest, Hungary.

The new chancery will form a focal point of Canada's long and rich relationship with Hungary. For decades—but particularly following the 1956 uprising—Hungary had been a major source of immigrants into Canada.

With the transition from socialism to a market-oriented economy in the early 1990s, Hungary emerged as a preferred destination for foreign direct investment in the region. Major investors from Canada—including Alcan, ATCO, Bombardier, General Woods and Veneers, Lab Clinics, Linamar, Magna, Minacs, Rio Alto, Semex Alliance, Wescast and Zenon—have created jobs for an estimated 5,000 Hungarians. Canadian real estate investors have also been responsible for the transformation of Budapest and other cities, including projects such as the West End Shopping Centre, the Gresham Four Seasons Hotel, and the Varkert office and retail project.

For the past five years, Hungary's economy has grown by an average of 4% per annum, one of the highest rates in the world during this period. Hungary's entry into the European Union in May 2004 is expected to provide additional impetus for economic growth. Hungary attracted some $4.7 billion in new foreign direct investment (FDI) in 2004, and regained its standing as the premier destination for FDI in the region.

Much of this investment is related to Hungary's advantages as a rapidly growing economy at the heart of Europe, with a strong workforce and emphasis on communications.

With a population of just over 10 million, Hungary is a relatively small market. However, with much of the European Union and neighbouring countries within a day's drive of Budapest, Hungary offers one of Europe's best centres for distribution and for shared corporate services. Together with lower property costs, a qualified labour force and rapidly improving infrastructure links, this has attracted global companies which have chosen Hungary as a European or regional hub, including General Electric, Flextronics, Nokia, and Alcoa.

Funding from domestic and international sources has created opportunities in the transportation sector, particularly in logistical operations, in airport development and in light and urban rail. Canadian companies have been successful in the information technology sector, as Hungary continues to attract investment as a manufacturing centre and emerges as a research and development platform for software. European Union commitments to implementing improved environmental standards in accession countries will result in increasing demand for environmental products and services, particularly in the renewable energy sector.

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Canada

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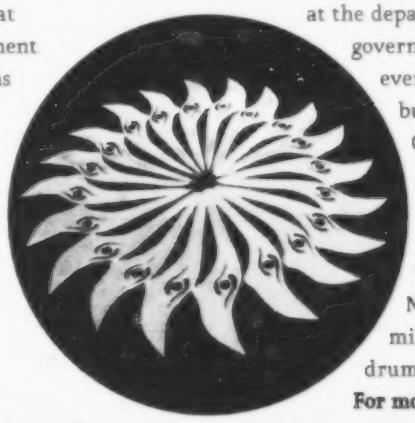
Aboriginal jewelry promotion at Japan's Expo 2005

Nagoya, Japan > In order to take advantage of potential business opportunities created by World Expo 2005 in Aichi, Japan, the Canadian Consulate in Nagoya has assisted in promoting Box of Light, a Northwest Coast and Inuit jewelry retail showcase to be held from July 6 to 12 at Takashimaya, a prestigious Japanese department store chain. This is the first time the store has agreed to such a retail promotion—largely due to Canada's reputation in Japan.



Japanese consumers will have the chance to chose from a vast selection of Northwest Coast and Inuit jewelry. Canadian participants are Inuit master silversmith Mathew Nuqingaq, originally from Broughton Island, Nunavut, and Nancy Nightingale, owner of Khot-la-cha Coast Salish Gallery in North Vancouver, BC.

Nuqingaq is a well-established artist, who also teaches design and jewelry making at the Nunavut Arctic College in Iqaluit. His unique style of jewelry exemplifies a modern expression of Inuit life. While at the store, Mathew will also demonstrate jewelry making and personalized engravings.

Gallery owner Nancy Nightingale will be presenting an array of Northwest Coast silver jewelry. Of special interest to Japanese consumers are the symbolic meanings of the carved images, including the eagle, thunderbird, hummingbird, wolf and bear.

In addition to the seven-day sales promotion at the department store, the Canadian government is also organizing an event to attract potential buyers and media at the Canadian Pavilion at Expo 2005, during which Nuqingaq and Nightingale will be presenting Inuit and Northwest Coast jewelry. Nuqingaq will also be performing Inuit songs, dances and drumming at both events.

For more information, contact Rosi Niedermayer, International Trade Canada, e-mail: rosi.niedermayer@international.gc.ca, or Hiromi Sawaki, Canadian Consulate in Nagoya, e-mail: hiromi.sawaki@international.gc.ca, Web sites: www.khot-la-cha.com (Khot-la-cha Gallery), www.expo2005canada.gc.ca (Canada at Expo 2005).

Trade associations get funding to promote Canadian exports

Fifty-five national trade associations will receive $3 million in funding in 2005-2006 through the Program for Export Market Development, to help promote Canadian exports in foreign markets.

The Program for Export Market Development for trade associations assists national sectoral trade and industrial associations seeking to increase their commercialization activities in international markets or to initiate new activities through the industry sector they represent.

This government assistance, provided under the Program to non-profit trade associations, is aimed at implementing projects that will mainly benefit small and medium-sized businesses.

For more information, go to www.international.gc.ca/pemd/tradeassociations/assist-en.asp.

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Canada Wood: building a brand in China

China's economy continues to grow at a remarkable pace—the latest statistics show annual growth at 9.5% for the first quarter of 2005. This has resulted in the emergence of a wealthy Chinese consumer class who want world-class products, including housing. The internationally successful Canadian-style wood frame construction (WFC) is now being introduced in China, with 10 million annual housing starts.

With staff in Beijing and Shanghai, the Canada Wood Export Program is leading the effort to promote energy-efficient wood housing solutions. Canada Wood was launched by Natural Resources Canada in 2002 to expand new market opportunities abroad. In addition to promoting Canada as a preferred supplier of quality wood products, this initiative co-funds overseas offices and supports market studies, technical training, building and fire code development, and product standard activities. They are supported by funding from industry associations as well as federal and provincial governments. About 75% of their activities are focused on Asia, with China as a key target.

Last year was pivotal for Canada Wood. In 2004, China adopted the Timber Structural Design Building Code, based on Canadian design and grading principles; this was a victory for Canada, making our products immediately recognizable in the Chinese wood frame housing market.

Last August, Canada Wood, the Canadian Consulate General Shanghai, BC Forestry Innovation Investment, and Quebec, Alberta and Ontario provincial offices jointly held a seminar to introduce Canadian-style wood housing to Chinese developers. The goal was to brand Canada as not only a seller of wood, but also as a key adviser on ways of using it.

In China, knowledge and experience of WFC technology and building methods remains low. In response, Canada Wood launched the WFC Service Centre in Shanghai, a voluntary organisation made up of Chinese developers, builders, designers and architects of wood frame homes. Its goal is to provide timely, technical advice to Chinese builders using wood.

These efforts are paying off. When Canada Wood was launched, sales of Canadian wood to China were less than $5 million per month. Now, exports have doubled to more than $100 million annually and China has become the world's fourth-largest buyer of Canadian wood.

Wood frame "villas" (single-family homes) are increasingly popular around Shanghai among the new consumer class. Large-scale projects with strong Canadian imagery are common. These trends have resulted in real export possibilities for Canadian lumber companies, builders, architects, and suppliers of housing-related products.

The goal is much higher, though. Currently, sales are limited due to the absence of multi-family wood structures in the building code. Canada Wood is addressing these gaps through local building code development initiatives.

Canada Wood is also involved in the development of local trade and technical skills, through partnerships with local vocational schools, engineering schools, and the Shanghai Real Estate Education Centre.

Overall, Canada Wood is a model for an effective partnership between government and industry associations, working together to develop offshore markets for Canadian companies.

For more information, contact Jeff Serveau, Program Manager - Canada Wood, NRCan, tel.: (613) 947-9042, e-mail: jserveau@nrcan.gc.ca, Web site: www2.nrcan.gc.ca/cfs-scf/Canada_wood.

THE CANADIAN TRADE COMMISSIONER SERVICE

VIRTUAL TRADE COMMISSIONER
PERSONALIZED INFORMATION AND SERVICES

Are you a Canadian exporter whose company is export-ready? Have you researched and selected your target markets? Do you find that you are spending hours sifting through mountains of Web sites searching for good market information? If you have answered "yes" to these questions, register as a client of the Canadian Trade Commissioner Service and receive a Virtual Trade Commissioner.

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Timely notice of a good lead or a hot piece of market intelligence can make all the difference to your company—alerting you to a new buyer, a new market or an opportunity for success. We know that you don't always have time to search for this information, so we've improved our notification system to make it easier for you to get the information you want when you want it.

Now you can tell your Virtual Trade Commissioner to forward you business leads and market information on a daily, weekly or monthly basis. You can even choose a specific day of the week or month to be notified.

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- Save your choice.

For more information on the Canadian Trade Commissioner Service and to receive a personalized Virtual Trade Commissioner, visit:

www.infoexport.gc.ca

The franchising option: emerging opportunity in central Europe

Budapest, Hungary, September 28-30, 2005 > The Second **Hungarian BuyBrand Show and International Franchise Expo** is sure to be one of the most important franchise events in the region. Although half of the exhibitors in the first show were Hungarian, the organizers are working together with national franchising associations throughout Central and Eastern Europe. Of the 3,000 participants in the 2004 show, 25% came from outside Hungary, as far away as Turkey and Russia, establishing BuyBrand as a leading showcase for franchisers looking at this emerging business development region.

Hungary and the economies of Central Europe have emerged as strong potential markets for franchising. Growing consumer demand for services and products not entirely available from local providers, together with improved access to capital and the realization of the advantages of a successful business model, have created a market worthy of a second look, particularly for those in the "optimal" price range for franchise in the region (e.g., $30,000-$50,000). Canadian and other international franchisors have already been successful in entering Hungary and other regional markets, but considerable potential remains.

For more information on participating in BuyBrand, contact the Canadian Embassy in Hungary, tel.: (011-36-1) 392-3351, e-mail: bpest-td@international.gc.ca, Web site: www.dakexpo.com.

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Hungary's fast economic growth in the past several years has also created an affluent consumer population, whose appetite for products and services is growing, particularly for processed agri-food products, education and tourism. This has increased demand for building products, with a growing emphasis on wood and steel frame construction, e-housing and energy efficiency.

In 2005, the Canadian Embassy in Budapest will be coordinating business development activities in sectors such as building products, renewable energy, franchising, language education, and food & beverages. The Trade Commissioner Service would be pleased to offer its services to you, to develop your business profile in Central Europe.

For more information, contact the Canadian Embassy in Hungary, e-mail: bpest-td@international.gc.ca, Web site: www.kanada.hu.

The Canadian Trade Commissioner Service in Hungary is also responsible for trade development in Slovenia. Having also joined the EU in 2004 and enjoying one of the highest per capita national incomes of the new accession states, Slovenia also provides opportunities for Canadian companies in the environmental, agri-food and technology sectors. Slovenian companies are also among the biggest regional investors in Southeastern Europe, and are potential partners for companies interested in markets such as Croatia, Serbia and Montenegro and Bulgaria.

Mission to Vienna: gateway to Central and Eastern Europe

Vienna, Austria > The Canadian Embassy in Austria, in conjunction with other Canadian embassies in Central and Eastern Europe, including Hungary, welcomed a mission of companies from across Canada in various business sectors to the Gateway to Central and Eastern Europe conference in Vienna on June 13. The event provided an opportunity for participating companies to form working relationships with Austrian counterparts, and to benefit from their experiences in the neighbouring central European markets. The conference is being followed by field visits coordinated by the embassies to Hungary and other neighbouring countries.

For more information, contact Tammy Ames, International Trade Canada (Baltic, Central European and Eastern Mediterranean Countries Division), tel.: (613) 996-7107, e-mail: tammy.ames@international.gc.ca.

Opportunities abound in Mexico's environmental sector

The Mexican environmental market has been growing at an annual average of 6% from 2002 to 2004 and is expected to grow 10% annually from 2005 to 2007. This sector is growing in importance for many reasons, including:

- Newer and stricter laws have been primary drivers for municipalities and the private sector to "clean up their act" and install more efficient anti-pollution infrastructure.
- Mexico's population has become more aware of the importance of having a sustainable environment.
- Mexico has signed many multilateral treaties and is therefore subject to environmental regulations.
- The Mexican development bank BANOBRAS has made the financing of environmental infrastructure a priority.
- Private participation in the investment and operation of environmental infrastructure has increased.

Municipalities must treat their waste water to comply with regulatory standards for discharge in public bodies of water. Cities of over 20,000 inhabitants have to have water treatment by 2007 and most do not have the required infrastructure. Over 150 projects have been approved for 2005 in order for municipalities to comply with new standards. It is important to note that municipalities always tender their projects through public biddings in which price is the deciding factor. Larger plants in metro areas may present build, operate and transfer opportunities. Following the same contract awarding systems, state-owned companies continuously require new water treatment infrastructure.

In terms of private sector opportunities, new laws are encouraging companies to adhere to water pollution standards. Those discharging more than 1.2 tons a day of biochemical oxygen demand are required to treat their waters and many do not have the infrastructure to comply yet. All industrial sectors, as well as tourism and housing development industries, present opportunities. Private sector projects allow Canadian companies to "be creative" and to propose financial and technical solutions offering a comparative advantage over incumbent players.

The majority of Mexican municipalities have outdated solid waste management infrastructure. The waste is currently disposed in open-air dumpsters that are nearing capacity and are grounds for the spread of disease. Federal and state authorities have been putting pressure on municipalities to modernize their capabilities through controlled disposal sites, waste reduction and more efficient waste collection services. The solid waste management industry presents additional opportunities, such as biogas generation and hazardous materials transport and confinement.

The presence of millions of tires in dumpsters and landfills also represents a huge environmental problem in Mexico. This is more critical in the northern border states, where single dumpsters with up to 5 million tires exist. Although municipalities and state and federal governments are trying to find solutions, they have not yet budgeted for this specific issue. Canadian companies that can develop a good business model for tire recycling, reuse or conversion should therefore have a competitive advantage.

After the entry into force of the Kyoto Protocol and the establishment last year of the National Designated Authority, a growing interest in clean development mechanism projects has emerged. Although the current legal and policy regime for the Mexican environment and energy sectors does not offer powerful incentives for renewable energy market development and alternative fuels technologies, the potential for the future is promising. Rural electrification for almost 79,000 communities is required—3600 MW generated by renewable energy and alternative fuels is expected by 2012, and at least 45% of industries require projects on energy efficiency. Technologies such as the conversion of landfill gas into natural gas, biodiesel and manure treatment have additional opportunities in Mexico.

For more information, contact Anouk Bergeron-Laliberté or Rosalba Cruz, Trade Commissioners, Canadian Embassy in Mexico, e-mail: mexico.commerce@international.gc.ca, Web site: www.mexico.gc.ca.

Opportunities at Mexico's Enviro-Pro 2005

Mexico City, Mexico, October 12-14, 2005 > The Canadian Embassy in Mexico City, the Canadian Consulates in Guadalajara and Monterrey, International Trade Canada and E.J. Krause are pleased to invite Canadian exporters to exhibit at **Enviro-Pro 2005**, where environmental manufacturers and service providers will have access to an estimated 5,000 visitors seeking professional environmental services and state-of-the-art environmental equipment.

In order to maximize business opportunities for Canadian exhibitors, trade mission services will be offered by the Canadian Embassy in Mexico City, for a fee of $600 for exhibitors and $800 for non-exhibitors, according to the exhibitor's profile and needs. Services and activities will include:

- a briefing on Mexican environmental and climate change sectors;
- opportunities to speak at the Canadian Technology Seminar;
- networking possibilities;
- matchmaking with Mexican companies organized by the Canadian Embassy;
- greater visibility for Canadian companies new to the market;
- market information and intelligence;
- V.I.P. visits; and
- a special event with trade commissioners and Mexican contacts from Guadalajara and Monterrey.

Exhibit space in the Canadian Pavilion is reserved on a first-come, first-served basis.

For more information, contact: Anouk Bergeron-Laliberté, Trade Commissioner, Canadian Embassy in Mexico, tel.: (011-52-55) 5724-7900, e-mail: anouk.bergeron-laliberte@international.gc.ca. For registration to exhibit in the Canadian Pavillion, contact Kara Lotto, E.J. Krause (Maryland), tel.: (301) 493-5500, ext. 3383, fax: (301) 493-5705, e-mail: lotto@ejkrause.com, Web site: www.enviropro.com.mx/interna.htm.

Japan's home & building mega-event

Tokyo, Japan, November 8 - 11, 2005 > The **Japan Home and Building Show** is the largest event of its kind in Japan, featuring domestic and foreign exhibitors from a wide range of sectors in the housing and building products industry. In 2004, the show attracted over 93,000 visitors and 600 exhibitors, 185 of which were from abroad, including over 40 from Canada. Participants also came from the United States, Europe, South America and other parts of Asia.

Japan is Canada's largest overseas export market for forest and building products, and the Japan Home and Building Show is an ideal venue for Canadian companies to demonstrate their capabilities. It is also an excellent opportunity to connect with key decision makers and representatives of the Japanese housing industry, as well as qualified buyers from China, Korea, and other Asian markets. The range of exhibits at the Show will include: furniture, medical care, building and construction, real estate, sanitation, air conditioning, plumbing and lighting.

Canada had the largest pavilion at last year's Show, with a total of 66 booths and including representation from industry associations, as well as provincial and federal government partners. Canada's strong presence drew considerable local media attention, which emphasized Canada's ability to meet Japan's demands for durability, energy efficiency and environment friendliness, with a wide variety of high-quality, innovative building products.

Canadian companies are encouraged to exhibit in the Japan Home and Building Show, and are invited to get in touch with the Canadian Embassy in Tokyo in advance for the latest market updates and local company information.

For more information, contact Matt Fraser, Trade Commissioner, Canadian Embassy in Tokyo, e-mail: jpn.commerce@international.gc.ca, or Joy Vicente, Trade Commissioner, International Trade Canada, e-mail: joy.vicente@international.gc.ca. Web site: www.jma.or.jp/jhbs/english.

Canada's pavilion at the 2004 Japan Home and Building Show.

TRADE EVENTS

Decatur, Illinois (U.S.)
August 30-September 1, 2005
The 2005 **Farm Progress Show** is the largest outdoor farm show in the U.S. and will showcase the state-of-the-art information and technology available for today's agricultural producers, with the latest agricultural equipment, products and services.
Contact: Canadian Consulate General in Chicago, tel.: (312) 616-1860, e-mail: chcgo-td@international.gc.ca. Web site: www.farmprogressshow.com.

Fargo, North Dakota (U.S.)
September 13-15, 2005
The **Big Iron Farm Show and Exposition** attracts over 70,000 national and international visitors each year and will feature more than 600 exhibiting companies. Don't miss this key agribusiness event.
Contact: Canadian Consulate General in Minneapolis, tel.: (612) 333-4641, e-mail: mnpls-td@international.gc.ca. Web site: www.bigironfarmshow.com.

Grand Island, Nebraska (U.S.)
September 13-15, 2005
Participate in the 28th annual **Husker Harvest Days** event, where the full-spectrum of farm technology will be exhibited, including the most complete display of irrigation equipment in the country. The show will also feature cattle handling equipment, crafts and specialty goods.
Contact: Canadian Consulate General in Minneapolis, tel.: (612) 333-4641, e-mail: mnpls-td@international.gc.ca. Web site: www.huskerharvestdays.com.

Tokyo, Japan
October 22-November 6, 2005
The 39th **Tokyo Motor Show** will feature hundreds of exhibitors from Japan and other major auto-producing countries. An excellent opportunity for Canadian companies to demonstrate their capabilities to a global audience.
Contact: Brian Sundue, Industry Canada, tel.: (613) 946-8183, e-mail: sundue.brian@ic.gc.ca. Web site: www.tokyo-motorshow.com.

Ho Chi Minh City, Vietnam
October 3-7, 2005
The **Ho Chi Minh City International Furniture and Handicrafts Fair** will be the largest show in Vietnam for the fast-growing furniture, wood processing and traditional handicrafts export industry.
Contact: Canadian Consulate General in Ho Chi Minh, tel.: (011-84-8) 827-9899, e-mail: hochi-td@international.gc.ca. Web site: www.trade.hochiminhcity.gov.vn.

Paris, France
November 29-December 2, 2005
The 21st **Pollutec** international exhibition of environmental equipment, technologies and services will feature 1,500 exhibitors from 30 countries, the biggest environmental trade show in Europe. Over 40,000 trade visitors are expected.
Contact: Musto Mitha, Trade Commissioner, Canadian Embassy in France, tel.: (011-33) 1-44-43-29-00, e-mail: musto.mitha@international.gc.ca. Web site: www.pollutec.com.

Aalborg, Denmark
October 13-15, 2005
DanFish International is Denmark's largest fishing equipment and technologies exhibition and saw over 20,000 visitors at the last edition, including delegations and buyers from 46 countries.
Contact: Canadian Embassy in Denmark, tel.: (011-45) 33-48-32-00, e-mail: copen-td@international.gc.ca Web site: www.danfish.com.

Shenzhen, China
September 6-9, 2005
There will be a Canada Pavilion at the 7th **China International Optoelectronics Exposition**, an ideal platform for exploring business opportunities in China's rapidly developing optoelectronics market.
Contact: Lisa Lei, Event Coordinator, Canadian Advanced Technology Alliance (Shenzhen), tel.: (011-86-755) 2654-8505, e-mail: lisa@cata-china.org. Web site: www.cioe-online.com.

Herning, Denmark
November 15-17, 2005
Attend **FoodTech Scandinavia 2005**, Northern Europe's major trade fair for the food processing and packaging sectors. This year's FoodTech will focus on food safety and include process equipment for the pharmaceutical industry.
Contact: Canadian Embassy in Denmark, tel.: (011-45) 33-48-32-00, e-mail: copen-td@international.gc.ca. Web site: www.foodtech.dk.

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